

Offered by Senator Keiser

**ESHB 1109** - S COMM AMD TO S-3337.2/19  
By Committee on Ways & Means

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1 On page 223, line 23, decrease the General Fund-State  
2 Appropriation (FY 2020) by \$141,000.

3 On page 223, line 24, decrease the General Fund-State  
4 Appropriation (FY 2021) by \$59,000.

5

6 Adjust the total appropriation accordingly.

7

8 On page 224, line 12, strike all of subsection (4).

9

10 On page 362, after line 35, insert the following:

11

12 **"Sec. 992.** RCW 28A.400.350 and 2018 c 260 s 23 are each amended  
13 to read as follows:

14 (1) The board of directors of any of the state's school  
15 districts or educational service districts may make available  
16 medical, dental, vision, liability, life, accident, disability, and  
17 salary protection or insurance, direct agreements as defined in  
18 chapter 48.150 RCW, or any one of, or a combination of the types of  
19 employee benefits enumerated in this subsection, or any other type  
20 of insurance or protection, for the members of the boards of  
21 directors, the students, and employees of the school district or  
22 educational service district, and their dependents. Except as  
23 provided in subsection (6) of this section, such coverage may be  
24 provided by contracts or agreements with private carriers, with the  
25 state health care authority, or through self-insurance or self-  
26 funding pursuant to chapter 48.62 RCW, or in any other manner

27

1 authorized by law. Any direct agreement must comply with RCW  
2 48.150.050.

3 (2)(a) Whenever funds are available for these purposes the board  
4 of directors of the school district or educational service district  
5 may contribute all or a part of the cost of such protection or  
6 insurance for the employees of their respective school districts or  
7 educational service districts and their dependents. The premiums on  
8 such liability insurance shall be borne by the school district or  
9 educational service district.

10 (b) After October 1, 1990, school districts may not contribute  
11 to any employee protection or insurance other than liability  
12 insurance unless the district's employee benefit plan conforms to  
13 RCW 28A.400.275 and 28A.400.280.

14 (c) After December 31, 2019, school district contributions to  
15 any employee insurance that is purchased through the health care  
16 authority must conform to the requirements established by chapter  
17 41.05 RCW and the school employees' benefits board.

18 (3) For school board members, educational service district board  
19 members, and students, the premiums due on such protection or  
20 insurance shall be borne by the assenting school board member,  
21 educational service district board member, or student. The school  
22 district or educational service district may contribute all or part  
23 of the costs, including the premiums, of life, health, health care,  
24 accident or disability insurance which shall be offered to all  
25 students participating in interschool activities on the behalf of or  
26 as representative of their school, school district, or educational  
27 service district. The school district board of directors and the  
28 educational service district board may require any student  
29 participating in extracurricular interschool activities to, as a  
30 condition of participation, document evidence of insurance or  
31 purchase insurance that will provide adequate coverage, as  
32 determined by the school district board of directors or the  
33 educational service district board, for medical expenses incurred as  
34 a result of injury sustained while participating in the

1 extracurricular activity. In establishing such a requirement, the  
2 district shall adopt regulations for waiving or reducing the  
3 premiums of such coverage as may be offered through the school  
4 district or educational service district to students participating  
5 in extracurricular activities, for those students whose families, by  
6 reason of their low income, would have difficulty paying the entire  
7 amount of such insurance premiums. The district board shall adopt  
8 regulations for waiving or reducing the insurance coverage  
9 requirements for low-income students in order to assure such  
10 students are not prohibited from participating in extracurricular  
11 interschool activities.

12 (4) All contracts or agreements for insurance or protection  
13 written to take advantage of the provisions of this section shall  
14 provide that the beneficiaries of such contracts may utilize on an  
15 equal participation basis the services of those practitioners  
16 licensed pursuant to chapters 18.22, 18.25, 18.53, 18.57, and 18.71  
17 RCW.

18 (5)(a) Until the creation of the school employees' benefits  
19 board under RCW 41.05.740, school districts offering medical,  
20 vision, and dental benefits shall:

21 (i) Offer a high deductible health plan option with a health  
22 savings account that conforms to section 223, part VII of subchapter  
23 1 of the internal revenue code of 1986. School districts shall  
24 comply with all applicable federal standards related to the  
25 establishment of health savings accounts;

26 (ii) Make progress toward employee premiums that are established  
27 to ensure that full family coverage premiums are not more than three  
28 times the premiums for employees purchasing single coverage for the  
29 same coverage plan, unless a subsequent premium differential target  
30 is defined as a result of the review and subsequent actions  
31 described in \*RCW 41.05.655;

32 (iii) Offer employees at least one health benefit plan that is  
33 not a high deductible health plan offered in conjunction with a  
34 health savings account in which the employee share of the premium

1 cost for a full-time employee, regardless of whether the employee  
2 chooses employee-only coverage or coverage that includes dependents,  
3 does not exceed the share of premium cost paid by state employees  
4 during the state employee benefits year that started immediately  
5 prior to the school year.

6 (b) All contracts or agreements for employee benefits must be  
7 held to responsible contracting standards, meaning a fair, prudent,  
8 and accountable competitive procedure for procuring services that  
9 includes an open competitive process, except where an open process  
10 would compromise cost-effective purchasing, with documentation  
11 justifying the approach.

12 (c) School districts offering medical, vision, and dental  
13 benefits shall also make progress on promoting health care  
14 innovations and cost savings and significantly reduce administrative  
15 costs.

16 (d) All contracts or agreements for insurance or protection  
17 described in this section shall be in compliance with chapter 3,  
18 Laws of 2012 2nd sp. sess.

19 (6) The authority to make available basic and optional benefits  
20 to school employees under this section expires December 31, 2019,  
21 except for nonrepresented employees of educational service districts  
22 for which the authority expires June 30, 2021. Beginning January 1,  
23 2020, school districts, for all school employees, and educational  
24 service districts, for represented employees, shall make available  
25 basic and optional benefits through plans offered by the health care  
26 authority and the school employees' benefits board. No later than  
27 June 30, 2021, educational service districts, for nonrepresented  
28 employees, shall make available basic and optional benefits through  
29 plans offered by the health care authority and the school employees'  
30 benefits board."

31  
32 Renumber the remaining sections consecutively and correct any  
33 internal references accordingly.  
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4 On page 708, line 2 of the title, after "18.85.061," insert  
"28A.400.350,"

EFFECT: Provides that an Educational Service Districts has until June 30, 2021, to enroll employees in to health care coverage under the School Employees' Benefits Board (SEBB). Decreases the appropriation for Educational Service Districts by the incremental funding that was provided for SEBB benefits.

FISCAL EFFECT (2019-2021): (\$200,000) Near General Fund-State  
FOUR-YEAR OUTLOOK EFFECT: (\$200,000) Near General Fund-State

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